fires the employees to whom his message is addressed. It reads as follows:

ATCHISON, *July 30, 1959.*

All Section Foremen Effingham to Concordia:

Each of you wire your U.S. Senator with the wire to read as follows: "Refer to Senate bill 1425: Missouri Pacific Railroad has progressively improved the safety and operation of motorcars until they now have adequate protection. Urge you to vote against this bill." Wire your Senator the message above in a.m. July 31, and send it Western Union. Pay for your Western Union and I will refund your money. Send Mr. C. L. Christy a copy of the Western Union message.

E. L. MULLENNIX.

This message speaks for itself. There is no request made here, nor no explanation of the issues involved. It seems to be simply an order to all the foremen under him to send a specific wire to their Senator, to pay for it out of their own pockets and then get a refund.

As my next example, I have in my possession a copy of a letter from an official of one of the railway brotherhoods. This letter, dated August 5, 1959, reads in part as follows:

"I am sorry to advise you of what happened yesterday. I went in my roadmaster's office as usual. He had received a stack of telegrams all filled out. He handed them to me, asked me to read and sign one. After reading one I gave them back and told him I could not sign it.

"It was in regard to Senator MAGNUSON'S bill, S. 1425, to amend the Interstate Commerce Act to provide protection for railroad employees by regulating the use of track motorcars and other self-propelled equipment.

My roadmaster went north on motorcar, his driver told me every man signed one of the telegrams. They were told that if the bill passed the company would have to put a conductor on every motorcar.

"Another roadmaster went south out of here. From what I can learn all of his foremans signed one. The message stated that we had sufficient motorcar protection."

This occurred on a railroad operating in the State of the cosponsor of this measure in the House. I am confident that Chairman HARRIS is not going to be intimated or misled by this, but since many other of the Members of the Senate and House no doubt have received telegrams produced in this way, I want the Congress to be fully aware of the nature of their origin so that they may be appraised accordingly.

As my final exhibit at this time I include here the text of a letter signed by two roadmasters and one B. & B. supervisor and addressed to all foremen under their supervision on the Union Pacific Railroad. This letter, also couched in the form or an order, reads as follows:

HINKLE, *August 12, 1959.*

To All Foreman:

Received the following mailgram from Mr. R. E. Haacke:

. "There is now pending in Congress, Senate bill S. 1425, which would require all track motorcars to be operated by train orders under the jurisdiction of and in accordance with rules established by the Interstate Commerce Commission.

"All of us who are familiar with motorcar operations can readily see the tremendous complications involved in attempting to operate motorcars under positive train orders. In effect, this would make it very impractical or almost impossible to get from one point to the other on a motorcar as all of our gangs would be spending more of their time getting train orders and getting to and from points of work under these train orders than they would in actual performance of their work.

"The practical effect would probably be that we would have to discontinue the operation of all or most section gangs as they now exist and perform our track maintenance work with roving extra gangs, such as some other railroads are already doing.

"If this Senate bill 1425 is passed, we should bear in mind that none of our motorcar operators are presently qualified to take train orders, as would be necessary for them to do at outlying points under the requirements of this legislation. It is doubtful whether very many of our motorcar operators could pass the necessary examination on operating rules to permit them to copy train orders. As a result many of them would no doubt be disqualified if they could not pass this examination on the operating rules."

I am sure that each of you realize just what effect passage of this legislation would have on your jobs. I feel, therefore, that this matter should be brought to the attention of the men under your supervision so they can write to their Senators and Congressmen expressing opposition to Senate bill S. 1425.

Want each of you to discuss this matter with your men and urge them to write letters opposing passage of this bill.

W. H. COSGROVE.
O. E. RAYBURN.
C. M. WISEMILLER.

(The bill does not contemplate "train orders" as such. It prescribes that the ICC make reasonable rules. If it does it can be changed after hearings to emphasize only the safety measures.)

The pocket list of railroad officials shows that Mr. R. E. Haacke is resident engineer of the Union Pacific Railroad at Portland, Oreg. Remembering that all of these officials have the power to hire and fire their subordinates, the reference to loss of jobs if S. 1425 should become law clearly has some overtones here and, I am informed, has caused real concern among railroad employees on this division.

The question may naturally arise in the minds of many of you after getting telegrams of this kind as to whether or not the railroad workers really want this legislation. While on the surface it should be apparent that they would favor any step to cut down the horrible and steadily increasing loss of life and injuries which they are sustaining because of the present lack of such protection, I want the record to be absolutely clear on this point. Here is the text of a statement I have been authorized to insert on behalf of all of the 23 standard railway labor organizations affiliated with the Railway Labor Executives' Association:

"Railroad labor is strongly supporting S. 1425 and H.R. 2487 to give the Interstate Commerce Commission authority to establish rules and regulations for the safe operation of track motorcars and other self-propelled equipment. This legislation is needed promptly to check the alarming rise in the death and injury rate to railroad workers using this type of equipment. We urge its immediate enactment.

"A. E. LYON,
"Executive Secretary,
"Railway Labor Executives' Association."

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

The Senate resumed the consideration of the bill (S. 2026) to establish an Advisory Commission on Intergovernmental Relations.

Mr. JOHNSON of Texas. Mr. President, what is the pending business?

The PRESIDING OFFICER. The bill before the Senate is S. 2026, to establish an Advisory Commission on Intergovernmental Relations.

Mr. JOHNSON of Texas. Mr. President, I yield the floor, so that the Senator from Maine may make a statement.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. MUSKIE. Mr. President, H.R. 6904 is on the calendar, as Calendar No. 733.

The bill is designed to establish an Advisory Commission on Intergovernmental Relations. This proposed legislation is the culmination of a long history of efforts to study, evaluate, and improve the relationships among the various levels of government in our system.

The basic concept of the bill is that the Government of the United States operates under one system, functioning on three levels, and that the interrelationships of these three levels are of such importance to the effective functioning of the system as to justify and to require continuing attention by an agency representative of all three levels of government.

Mr. President, I will briefly describe the purposes of the Commission and its organization. The Commission would have seven basic purposes:

First. To bring together representatives of the Federal, State, and local governments for the consideration of common problems.

Second. To provide a forum for discussing the administration and coordination of Federal grant and other programs requiring intergovernmental cooperation.

Third. To give critical attention to the conditions and controls involved in the administration of Federal grant programs.

Fourth. To make available technical assistance to the executive and legislative branches of the Federal Government in the review of proposed legislation to determine its overall effect on the Federal system.

Fifth. To encourage discussion and study at an early stage of emerging public problems that are likely to require intergovernmental cooperation.

Sixth. To recommend, within the framework of the Constitution, the most desirable allocation of governmental functions, responsibilities, and revenues among the several levels of government.

Seventh. To recommend methods of coordinating and simplifying tax laws and administrative practices to achieve a more orderly and less competitive fiscal relationship between the levels of government and to reduce the burden of compliance for taxpayers.

The Commission which would be created by the proposed legislation would be intergovernmental in its makeup. It would consist of 27 members, to be appointed as follows:

Six to be appointed by the President of the United States, three of whom shall be officers of the executive branch of the Government, and three private citizens, all of whom shall have had experience or familiarity with relations between the levels of government.

Three to be appointed by the President of the Senate, who shall be Members of the Senate.

to bring to the Senate a bill upon which there was general agreement by all concerned, with one exception.

The sole objector was the administration, which opposed the bill primarily on the basis of its cost. Certain self-appointed spokesmen for the administration raised a great smokescreen of opposition, but underneath it all was the matter of cost.

This widespread and general agreement on the Senate bill did not just happen. It was the result of long, hard, intelligent, and dedicated work.

The Subcommittee on Health Insurance of the Senate Committee on Post Office and Civil Service held many long days of hearings. The committee staff met day after day with representatives of industry and employee groups. Problem after problem was worked out and difference of views reconciled. Finally, out of all this effort, there emerged a bill which merited the support of all concerned.

I think it fair to say that except for this great effort in the Senate we would not today stand on the verge of seeing enacted a health benefits program for Federal employees. The administration tried and failed over a 5-year period to reconcile the many differences that existed. When the Senate took hold of the matter this year, the prospects of success did not seem bright. But today we are only hours away from seeing enacted into law a progressive health benefits bill for our Federal workers and their families.

When the Senate bill was received in the House, extensive hearings were held by that body. A great amount of favorable testimony was heard. Again the only opposition to the bill was that voiced by the administration. Again the opposition as based on cost.

The House bowed to the position of the administration and reduced benefits under the bill by some 30 to 35 percent. In other words, the cost of benefits to be provided by the bill was reduced from slightly over $300 million a year to some $214 million a year. Fortunately, however, the basic principles of the Senate bill were retained, and with adoption of the amendments I have offered, the bill will be a good one.

Mr. President, there are some things that have occurred in connection with this measure that I regret. First of all, there has been an unusual amount of lobbying by some persons within the administration. The unusual interest and the unusual steps taken by them have been of some concern to me.

For this reason I wish to make it known that I propose to watch the administration of this measure very, very cerefully.

Secondly, I regret that when the bill was under consideration in the House, some Members of the House referred to the Senate measure in derogatory and slighting terms. It was referred to as being misleading, false, and confusing. For example, the ranking minority member on the committee stated:

"We have had ample evidence that Government employees and the general public are being completely misled as to the scope and nature of benefits to be provided under this bill. The proposed committee amendment now before the House removes any possibility of misinterpretation.

Frankly, I think this and similar statements were ill advised. I think it regrettable that measures of this kind be discussed in such terms.

Mr. President, the amendments I have offered are designed to clarify the bill in several respects and restore to the bill a previously approved Senate provision in a slightly different version in still another respect. The first amendment clarifies the bill to make clear that the price figures established in the bill by the House apply to the purchase of health benefits and do not include auxiliary costs such as those for reserves and administrative expenses.

The second amendment is designed to make clear that both Government and employees will share these auxiliary costs in addition to sharing the cost of the health benefits purchased.

The third amendment makes provision for a Director of Retirement and Insurance. The committee expressed the belief that there shall be consolidated organizationally all of the Commission's responsibilities in the related fields of retirement and life insurance, as well as health benefits, and we have been assured that the Commission contemplates taking such a step.

In order to insure that the Civil Service Commission will be able to obtain the necessary high caliber of person to administer these programs, the legislation makes provision for a grade 18 position which is earmarked for this function.

The committee is also of the belief that the salary of the Executive Director of the Commission should be changed adequately to reflect the nature of that position. The amendment sets this salary at $19,000 per annum.

Mr. President, the list of those who have contributed greatly to this measure is long. I would like to express my gratitude particularly to the distinguished junior Senator from Oregon [Mr. NEUBERGER], who served as Chairman of the Insurance Subcommittee, and to the other members of that committee, Senators YARBOROUGH, JORDAN, CARLSON, and MORTON, all of whom devoted much time and thought to working out a satisfactory bill. In all my service in the Senate, I have never known a group to work harder and with greater dedication to duty than did this subcommittee. They deserve the commendation of every Federal employee for their fine work in connection with this bill.

The committee was fortunate indeed to receive a great deal of expert technical advice and assistance from outstanding leaders in the field of health programs. Particularly helpful was Mr. J. Douglas Colman, vice president of the Blue Cross Association. I do not know what the committee would have done without his able advice and assistance. I wish to express my personal appreciation to him and to all who contributed to the preparation and enactment of this fine measure. I am confident our over 2 million Federal employees and their families will always be grateful.

Mr. CARLSON. Mr. President, I wish to say that following the passage of this bill through the Senate, and the bill was passed by the House and amended by the House, I have been willing to accept the House amendments to the bill in the hope we would get early action, because this is a piece of legislation which is important to the Federal civil workers of this Nation.

Since that time our chairman has worked out two amendments, which I understand are at the desk, and which I hope we accept at the present time. I shall not oppose those amendments because I think, as they have been written, the Bureau of the Budget, the chairman of the Civil Service Commission, and the House will accept them and that this bill will be enacted into law.

I had prepared a statement I expected to use urging action without sending the bill back for concurrence, because I realize at this late stage in a legislative session one objection can send the bill to the Rules Committee and, following past history, the Rules Committee may not act as hastily as we would like them to.

I am willing to take a chance today, and I support the amendments the Committee chairman has submitted, and urge the House to accept them.

I ask to insert in the RECORD as part of my remarks a statement I expected to make in respect to the bill as it came over ot this body from the House.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CARLSON

On July 16, a little more than a month ago, the Senate passed S. 2162 which would provide health insurance for Federal employees with a landslide majority of 81 to 4. Since then the appropriate committee, of the other body has held extensive hearings, has modified the bill in certain respects, and on August 18 reported it unanimously to the House. Just a few days ago the bill, as modified, was passed by the other body with a majority comparable to that it received in the Senate.

I know of no legislative measure in this Congress of so much importance to so many people that has had the overwhelming approval this bill has received in both bodies. The legislation as referred to us now has the whole-hearted endorsement and enthusiastic support of all of the employee organizations and is acceptable to the Civil Service Commission and the administration generally. The organizations which would serve as carriers under the bill have expressed their belief that it provides the basis for a workable program and that they are in accord with it.

I have pointed out that the bill has been modified in certain respects since it passed the Senate. The most numerous changes have been language changes of a technical and clarifying nature; these have no effect on the substance of the bill but will serve to avoid inequities to employees and unnecessary complexity of administration.

A few changes have been made in the substance of S. 2162 as it passed the Senate, but with one exception these will merely serve to fix responsibility more clearly on the Civil Service Commission as the agency which will have responsibility for administration of the health benefits program. These changes will have no adverse effect on the benefits to be provided in the bill as they affect the vast body of Federal employees and

other refunds made by a plan shall be credited to its contingency reserve. The contingency reserves may be used to defray increases in future rates, or may be applied to reduce the contributions of employees and the Government to, or to increase the benefits provided by, the plan from which such reserves are derived, as the Commission shall from time to time determine.

(c) The Secretary of the Treasury is authorized to invest and reinvest any of the moneys in the Fund in interest-bearing obligations of the United States and to sell such obligations of the United States for the purposes of the Fund. The interest on and the proceeds from the sale of any such obligations shall become a part of the Fund.

ADMINISTRATIVE EXPENSES

SEC. 9. (a) There are hereby authorized to be expended from the Employees' Life Insurance Fund, without regard to limitations on expenditures from that Fund, for the fiscal years 1960 and 1961, such sums as may be necessary to pay administrative expenses incurred by the Commission in carrying out the health benefits provisions of this Act. Reimbursements to the Employees' Life Insurance Fund for sums so expended, together with interest at a rate to be determined by the Secretary of the Treasury, shall be made from the Employees Health Benefits Fund.

(b) The Employees Health Benefits Fund is hereby made available (1) to reimburse the Employees' Life Insurance Fund for sums expended by the Commission in administering the provisions of this Act for the fiscal years 1960 and 1961 and (2), within such limitations as may be specified annually by the Congress, to pay such expenses for subsequent fiscal years.

ADMINISTRATION

SEC. 10. (a) The Commission is authorized to promulgate such regulations as may be necessary to carry out the provisions of this Act.

(b) Regulations of the Commission shall include regulations with respect to the beginning and ending dates of coverage of employees and annuitants and members of their families under health benefits plans, and for such purpose may permit such coverage to continue, exclusive of the temporary extension of coverage described in section 6(f), until the end of the pay period in which an employee is separated from service or until the end of the month in which an annuitant ceases to be entitled to annuity, and in case of the death of such employee or annuitant may permit a temporary extension of the coverage of the members of his family for a period not to exceed ninety days.

(c) Any employee enrolled in a plan under this Act who is removed or suspended without pay and later reinstated or restored to duty on the ground that such removal or suspension was unjustified or unwarranted shall not be deprived of coverage or benefits for the interim but shall have his coverage restored to the same extent and effect as though such removal or suspension had not taken place, and appropriate adjustments shall be made in premiums, subscription charges, contributions, and claims.

(d) The Commission shall make available to each employee eligible to enroll in a health benefits plan under this Act such information, in a form acceptable to the Commission after consultation with the carrier, as may be necessary to enable such employee to exercise an informed choice among the types of plans referred to in section 4. Each employee enrolled in such a health benefits plan shall be issued an appropriate document setting forth or summarizing the services or benefits (including maximums, limitations, and exclusions), to which the employee, or the employee and members of his family, are entitled thereunder, the procedure for obtaining benefits, and the principal provisions of the plan affecting the employee or members of his family.

STUDIES, REPORTS, AND AUDITS

SEC. 11. (a) The Commission shall make a continuing study of the operation and administration of this Act, including surveys and reports on health benefits plans available to employees and on the experience of such plans.

(b) The Commission shall include provisions in contracts with carriers which would require carriers to (1) furnish such reasonable reports as the Commission determines to be necessary to enable it to carry out its functions under this Act, and (2) permit the Commission and representatives of the General Accounting Office to examine records of the carriers as may be necessary to carry out the purposes of this Act.

(c) Each Government department, agency, and independent establishment shall keep such records, make such certifications, and furnish the Commission with such information and reports as may be necessary to enable the Commission to carry out its functions under this Act.

REPORTS TO CONGRESS

SEC. 12. The Commission shall transmit to the Congress annually a report concerning the operation of this Act.

ADVISORY COMMITTEE

SEC. 13. The Chairman of the Commission shall appoint a committee composed of five members who shall serve without compensation, to advise the Commission regarding matters of concern to employees under this Act. Each member of such committee shall be an employee enrolled under this Act or an elected officer of an employee organization.

JURISDICTION OF COURTS

SEC. 14. The district courts of the United States shall have original jurisdiction, concurrent with the Court of Claims, of any civil action or claim against the United States founded upon this Act.

EFFECTIVE DATE

SEC. 15. The provisions of this Act relating to the enrollment of employees and annuitants in health benefits plans and the withholding and payment of contributions shall take effect on the first day of the first pay period which begins on or after July 1, 1960.

Mr. JOHNSTON of South Carolina. Mr. President, I send to the desk my motion that the Senate agree to the amendment of the House with two amendments of the Senate. These two amendments are amendments which the Senate, practically word for word, agreed to when we had the bill before us. I understand there is a possibility that the House will agree to them. If the House does agree to them, that will save the necessity of having a conference on the health bill.

The PRESIDING OFFICER. The motion of the Senator from South Carolina will be stated.

The LEGISLATIVE CLERK. Mr. JOHNSTON of South Carolina makes the following motion:

I move that the Senate agree to the House amendment to S. 2162, the Federal Employees Health Benefits Act of 1959 with the following amendments:

(1) In lieu of subsection (a) of section 7 of the House amendment insert the following:

"(a)(1) Except as provided in paragraph (2) of this subsection, the Government contribution for health benefits for employees or annuitants enrolled in health benefits plans under this Act, in addition to the contributions required by paragraph (3), sha be 50 per centum of the lowest rates charg by a carrier for a level of benefits offered by plan under paragraph (1) or paragraph (of section 4, but (A) not less than $1.25 more than $1.75 biweekly for an employee annuitant who is enrolled for self alone, (not less than $3 or more than $4.25 biwee for an employee or annuitant who is rolled for self and family (other than provided in clause (C) of this paragrap and (C) not less than $1.75 or more t $2.50 biweekly for a female employee or nuitant enrolled for self and family incl ing a nondependent husband.

"(2) For an employee or annuitant rolled in a plan described under sectio (3) or (4) for which the biweekly subsc tion charge is less than $2.50 for an ployee or annuitant enrolled for self alon $6 for an employee or annuitant enrolled self and family, the contribution of the G ernment shall be 50 per centum of t subscription charge, except that if a n dependent husband is a member of family of a female employee or annui who is enrolled for herself and family contribution of the Government shall b per centum of such subscription charge

"(3) There shall be withheld from the ary of each enrolled employee and the nuity of each enrolled annuitant, and shall be contributed by the Governm amounts (in the same ratio as the co butions of such employee or annuitant the Government under paragraphs (1) (2)) which are necessary for the admini tive costs and the reserves provided fo section 8(b).

"(4) There shall be withheld from the ary of each enrolled employee or annu each enrolled annuitant so much as is essary, after deducting the contributio the Government, to pay the total charg his enrollment. The amount withheld f the annuity of an annuitant shall be e to the amount withheld from the salar an employee when both are enrolled in same plan providing the same health b efits."

(2) After section 13 of the House ame ment insert a new section 14 as follows renumber sections 14 and 15 as 15 and respectively:

"SEC. 14. (a) The Chairman of the Co mission is authorized to appoint in grade of the General Schedule of the Classificat Act of 1949, as amended, an officer who sh have such functions and duties with resp to retirement, life insurance, and heal benefits programs as the Commission sh prescribe. Such positions shall be in a dition to the number of positions otherwi authorized by law to be placed in such grad

"(b) The rate of basic compensation of t Executive Director of the United States Civ Service Commission shall be $19,000 pe annum."

Mr. JOHNSTON of South Carolina. Mr. President, on July 16, 1959, the Senate, by a vote of 81 to 4, passed S. 2162, the Federal Employees' Health Benefits Act. The bill, which passed the Senate on that date, was the product of over 10 years' legislative effort. The first bill to provide a health benefits program for Federal employees was introduced in 1947. Efforts to obtain legislation failed time after time because of deep-rooted disagreements between and among insurance companies, Blue Cross-Blue Shield, those providing medical services and hospital facilities, and even employee groups themselves.

In the light of this background, it gave me a great deal of satisfaction to be able

(B) IN[-]PRACTICE PREPAYMENT PLANS.—[I]n-practice prepayment plans which offer health services in whole or substantial part on a prepaid basis, with professional services thereunder provided by individual phyiscians who agree, under certain conditions approved by the Commission, to accept the payments provided by the plans as full payment for covered services rendered by them including, in addition to in-hospital services, general care rendered in their offices and the patients' homes, out-of-hospital diagnostic procedures, and preventive care, and which plans are offered by organizations which have successfully operated such plans prior to approval by the Commission of the plan in which employees may enroll.

TYPES OF BENEFITS

SEC. 5. The benefits to be provided under plans described in section 4 may be of the following types:

(1) SERVICE BENEFIT PLAN.—
(A) Hospital benefits.
(B) Surgical benefits.
(C) In-hospital medical benefits.
(D) Ambulatory patient benefits.
(E) Supplemental benefits.
(F) Obstetrical benefits.

(2) INDEMNITY BENEFIT PLAN.—
(A) Hospital care.
(B) Surgical care and treatment.
(C) Medical care and treatment.
(D) Obstetrical benefits.
(E) Prescribed drugs, medicines, and prosthetic devices.
(F) Other medical supplies and services.

(3) EMPLOYEE ORGANIZATION PLANS.—Benefits of the types specified in this section under paragraph (1) or (2) or both.

(4) COMPREHENSIVE MEDICAL PLANS.—Benefits of the types specified in this section under paragraph (1) or (2) or both.

All plans contracted for under paragraphs (1) and (2) shall include benefits both for costs associated with care in a general hospital and for other health service costs of catastrophic nature.

CONTRACTING AUTHORITY

SEC. 6. (a) The Commission is authorized, without regard to section 3709 of the Revised statutes or any other provision of law requiring competitive bidding, to enter into contracts with qualified carriers offering plans described in section 4. Each such contract shall be for a uniform term of at least one year, but may be made automatically renewable from term to term in the absence of notice of termination by either party.

(b) (1) To be eligible as the carrier for the plan described in section 4(2), a company must be licensed to issue group health insurance in all the States of the United States and the District of Columbia.

(2) Each contract for a plan described in paragraph (1) or (2) of section 4 shall require the carrier—

(A) to reinsure with such other companies as may elect to participate, in accordance with an equitable formula based on the total amount of their group health insurance benefit payments in the United States during the latest year for which such information is available, to be determined by the carrier and approved by the Commission, or

(B) to allocate its rights and obligations under the contract among such of its affiliates as may elect to participate, in accordance with an equitable formula to be determined by the carrier and such affiliates and approved by the Commission.

(c) Each contract under this Act shall contain a detailed statement of benefits offered and shall include such maximums, limitations, exclusions, and other definitions of benefits as the Commission may deem necessary or desirable.

(d) The Commission is authorized to prescribe regulations fixing reasonable minimum standards for health benefits plans described in section 4 and for carriers offering such plans. Approval of such a plan shall not be withdrawn except after notice, and opportunity for hearing without regard to the Administrative Procedure Act, to the carrier or carriers concerned.

(e) No contact shall be made or plan approved which excludes any person because of race, sex, health status, or, at the time of the first opportunity to enroll, because of age.

(f) No contract shall be made or plan approved which does not offer to each employee and annuitant whose enrollment in the plan is terminated, other than by a cancellation of enrollment, a temporary extension of coverage during which he may exercise the option to convert, without evidence of good health, to a nongroup contract providing health benefits. An employee or annuitant who exercises this option shall pay the full periodic charges of the nongroup contract, on such terms or conditions as are prescribed by the carrier and approved by the Commission.

(g) The benefits and coverage made available pursuant to the provisions of subsection (f) shall, at the option of the employee or annuitant, be noncancelable by the carrier except for fraud, overinsurance, or nonpayment of periodic charges.

(h) Rates charged under health benefits plans described in section 4 shall reasonably and equitably reflect the cost of the benefits provided. Rates under health benefits plans described in section 4(1) and (2) shall be determined on a basis which, in the judgment of the Commission, is consistent with the lowest schedude of basic rates generally charged for new group health benefit plans issued to large employers; rates determined for the first contract term shall be continued for subsequent contract terms, except that they may be readjusted for any subsequent term, based on past experience and benefit adjustments under the subsequent contract; any readjustment in rates shall be made in advance of the contract term in which they will apply and on a basis which, in the judgment of the Commission, is consistent with the general practice of carriers which issue group health benefit plans to large employers.

CONTRIBUTIONS

SEC. 7. (a)(1) Except as otherwise provided in this subsection, the contribution of the Government to the subscription charge of a plan for each enrolled employee or annuitant shall be such amounts as the Commission by regulation may from time to time prescribe. The amounts so prescribed shall not—

(A) be less than $1.25 or more than $1.75 biweekly for an employee or annuitant who is enrolled for self alone, or

(B) be less than $3 or more than $4.25 biweekly for an employee or annuitant who is enrolled for self and family, except that if a nondependent husband is a member of the family of a female employee or annuitant who is enrolled for herself and family the amount so presribed shall not be less than $1.75 or more than $2.50 biweekly.

For an employee or annuitant enrolled in a plan described under section 4 (3) or (4) whose biweekly subscription charge is less than $2.50 for an employee or annuitant enrolled for self alone or $6 for an employee or annuitant enrolled for self and family, the contribution of the Government shall be 50 per centum of such subscription charge, except that if a nondependent husband is a member of the family of a female employee or annuitant who is enrolled for herself and family the contribution of the Government shall be 30 per centum of such subscription charge.

(2) There shall be withheld from the salary of each enrolled employee or annuity of each enrolled annuitant so much as is necessary, after deducting the contribution of the Government, to pay the total charge for his enrollment. The amount withheld from the annuity of an annuitant shall be equal to the amount withheld from the salary of an employee when both are enrolled in the same plan providing the same health benefits.

(3) The contributions of the Government as initially determined by the Commission and the contributions of the employees and annuitants may from time to time be readjusted, subject to the limitations on amounts contained in paragraph (1), on the basis of past experience and proposed benefit adjustments, such readjustment to be in the same ratio as the contributions of the Government bear to the contributions of the employees and annuitants at the time of the initial determination by the Commission.

(b) An employee enrolled in a health benefits plan under this Act who is placed in a leave-without-pay status may have his coverage and the coverage of members of his family continued under such plan for a period not to exceed one year in accordance with regulations prescribed by the Commission. Such regulations may provide for the waiving of contributions by the employee and the Government.

(c) The sums authorized to be contributed by the Government with respect to any employee shall be paid from—

(1) the appropriation or fund which is used for payment of the salary, wage, or other compensation of such employee,

(2) in the case of an elected official, from such appropriation or fund as may be available for payment of other salaries of the same office or establishment,

(3) in the case of an employee in the legislative branch whose salary, wage, or other compensation is disbursed by the Clerk of the House of Representatives, from the contingent funds of the House, and

(4) in the case of an employee in a leave-without-pay status, from the appropriation or fund which would be used for the payment of the salary of such employee if he were in a pay status.

The sums authorized by subsection (a)(1) to be contributed by the Government with respect to any annuitant shall be paid from annual appropriations which are hereby authorized to be made for such purpose.

(d) The Commission shall provide for conversion of rates of contribution specified in this section in the cases of employees and annuitants paid on other than a biweekly basis, and for this purpose may provide for adjustment of any such rate to the nearest cent.

EMPLOYEES HEALTH BENEFITS FUND

SEC. 8. (a) There is hereby created an Employees Health Benefits Fund, hereinafter referred to as the "Fund", to be administered by the Commission, which is hereby made available without fiscal year limitation for all payments to approved health benefits plans. The contributions of employees, annuitants, and the Government described in section 7 shall be paid into the Fund.

(b) Portions of the contributions made by employees, annuitants, and the Government shall be regularly set aside in the Fund as follows: (1) a percentage, not to exceed 1 per centum of all such contributions, determined by the Commission as reasonably adequate to pay the administrative expenses made available by section 9; (2) for each health benefits plan, a percentge, not to exceed 3 per centum of the contributions toward such plan, determined by the Commission as reasonably adequate to provide a contingency reserve. The income derived from any dividends, rate adjustments, or

in the RECORD a biographical sketch of Warwick Downing.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

BIOGRAPHICAL SKETCH OF WARWICK DOWNING

Warwick M. Downing was born in Macomb, Ill., January 14, 1875, of Quaker ancestry. His first immigrant ancestor arrived in Plymouth as far back as 1621.

As a young man, Mr. Downing determined to do his best toward accomplishing something notable and well worthwhile for the public welfare, and to devote as large an amount of his personal time to public service as possible. He felt as a minimum he should so devote 10 percent of his time.

He was graduated from East Denver High School in 1891. Shortly after his graduation from high school, he procured a job as a cub reporter on the Denver Times. He left this employment to attend the University of Michigan College of Law, and graduated from that institution in 1895. During his years in law school he was Ann Arbor correspondent for the Detroit Evening Journal, the Chicago Times, the Chicago Herald, the Chicago Inter-Ocean, the New York Sun, and the United Press.

Often referred to as the dean of oil and gas lawyers in the Rocky Mountain region, Mr. Downing has made a life career of service to the public and particularly in the field of oil and gas conservation. He has consistently refused to accept public office with pay, but has held many offices of an honorary nature, all without compensation, some of which are listed herein:

Park Commissioner of Denver under Mayor Speer and Arnold, 1904–13.

Chairman Mountain Parks Committee of the Civic Bodies and member of the Denver Mountain Parks Commission, 1911–20.

Member Denver Playground Commission, 1910–13.

Member Denver Good Roads Board, 1920–24.

Member Colorado State Highway Advisory Board, 1936–38.

Representative of the State of Colorado on the Oil States Advisory Committee, appointed by the Governors of 12 of the principal oil-producing States, 1931–34.

Representative of the State of Colorado on the Interstate Oil Compact Commission, created by the principal oil-producing States with congressional approval, 1935 to date.

Chairman of the Gas Conservation Commission of the State of Colorado and its successor body, the Oil and Gas Conservation Commission, 1932 to date. Recently appointed as a member of said Oil and Gas Conservation Commission for a term expiring in 1961.

Member of the National Petroleum Council, appointed by the Secretary of the Interior, 1951 to date.

Member of the National Conference of Petroleum Regulatory Authorities, appointed to serve and help the Secretary of the Interior during World War II from the State's standpoint.

Member of the Governors Advisory Council, with reference to oil and gas matters, during World War II.

He has served on the Interstate Oil Compact Commission under nine Colorado Governors, six Democrats (including Gov. Ed Johnson who was Governor twice with an 18-year interlude as U.S. Senator) and three Republicans. He has served many years as vice president for Colorado or as a member of the executive committee of the Independent Petroleum Association of America.

He has been one of the Nation's leaders to bring about laws, regulations, and practices which would encourage the development of oil and gas on public lands.

His chief accomplishment, however, was the development of the oil shales in Colorado. He cooperated with Senator JOSEPH O'MAHONEY, of Wyoming, in development of Government program for experimental work in developing a liquid fuel industry, in particular that feature of this program which included Colorado's oil shale as a source of synthetic or liquid fuel.

The late Mayor Robert Speer, of Denver, called Mr. Downing "father of the mountain parks and of the boulevards and playgrounds of Denver." As chairman of the Mountain Parks Committee of the Civic Bodies, he had the leading part in putting across the mountain parks idea. It must be remembered that this was at a time when autos were few, and many of the citizens of Denver organized to kill what they termed "a fool idea" of spending Denver money in the mountains, and to stop a "bunch of speculators" who wanted to unload worthless hillsides on Denver at a fancy price. Mr. Downing drew the mountain parks amendment to the Denver city charter, and pushed its adoption by the people. This also entailed the procuring of necessary legislation by the legislature of Colorado and procuring of an act of Congress, deeding some 10,000 acres to the Denver park system, and of being responsible for the expenditures of the public funds that made our Denver mountain park system what it is today.

Mr. Downing's work for the Denver playground system was no less notable. All the playgrounds now owned by Denver, with one principal exception, were acquired by him and were largely constructed under his administration as a member of the Denver Park Commission. Likewise, Denver's municipal parkway and boulevard system was largely his creation.

The Denver Good Roads Board, of which Mr. Downing was a member, prepared and passed the 1920 Highway Law, under which (and as amended) our State highway system has been built. He was also instrumental in all of the highway projects. He accepted appointment to the Highway Advisory Board by Governor Teller Ammons in 1936.

As a member of the Highway Advisory Board, Mr. Downing pushed a completion of the highway to Summit Lake on the Mount Evans road, and realinement of improvement of the road from Summit Lake to Mount Evans. His principal effort, however, was to give aid to the Western Slope in highway development so that the Western Slope would have an all-year-round highway to be completed from the north boundary to the south boundary of the State.

It thus appears that Mr. Downing has held public office for more than 84 years, as many years as he has lived, and during his entire time of public service he has never received a penny of compensation for his time.

Mr. Downing is married to the former Mabelle Jackson Bell of Dallas, Tex. He has two children, Richard Downing, Denver attorney, associated with him in the practice of law, and Dr. Virginia Downing of Boulder, Colo. engaged in research on the causes and control of cancer.

AMENDMENT OF MUTUAL DEFENSE ASSISTANCE CONTROL ACT OF 1951

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 596, Senate bill 1697.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 1697) to amend the Mutual Defense Assistance Control Act of 1951.

Mr. KEATING. Mr. President, may we have an explanation of the bill?

Mr. JOHNSON of Texas. This measure is Calendar No. 596, Senate bill 1697, to amend the Mutual Defense Assistance Control Act of 1951.

Mr. KENNEDY. Mr. President, the bill provides for a change in the provisions of the so-called Battle Act, so as to provide—if the President determines it to be in the national interest—some degree of assistance to countries now under Soviet control, but trying to maintain some degree of independence.

I am thinking especially of Poland, which has been undergoing a very trying period in its relationships with the Soviet Union, but also—as the recent trip of Mr. NIXON indicates—has a strong and warm feeling toward the United States.

This measure provides that if the President finds it to be in the national interest, a country which might be under the domination of the Soviet Union could receive assistance from our country in the following way: If the President thought it to be in our interest, he could provide funds which might be obtained through Public Law 480 sales in local currencies, which funds could be loaned back to that country, as is done in the case of other countries; and, second, the Export-Import Bank would be permitted to make loans to a country which falls into this particular "gray" status.

Those are the particular provisions of the bill.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1697) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 102 of title I of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611a) is amended to read as follows:

"SEC. 102. Responsibility for giving effect to the purposes of this Act shall be vested in the Secretary of State or such other officer as the President may designate, hereinafter referred to as the 'Administrator'."

SEC. 2. Section 303 of title II of the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1613b) is amended to read as follows:

"SEC. 303. (a) This Act shall not be deemed to prohibit furnishing economic and financial assistance to any nation or area, except the Union of Soviet Socialist Republics and Communist-held areas of the Far East, whenever the President determines that such assistance is important to the security of the United States: *Provided,* That, after termination of assistance to any nation as provided in sections 103(b) and 203 of this Act, assistance shall be resumed to such nation only in accordance with section 104 of this Act. The President shall immediately report any determination made pursuant to this subsection with reasons therefor to the Committees on Foreign Relations, Appropriations, and Armed Services of the Senate and the Speaker of the House of Representatives.

"(b) The Administrator may, notwithstanding the requirements of the first proviso of section 103(b) of this Act, direct the continuance of assistance to a country which knowingly permits shipments of items other than arms, ammunition, implements of war, and atomic energy materials to any nation

receiving economic or financial assistance pursuant to a determination made under section 303(a) of this Act.

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate return to the consideration of Calendar No. 581, S. 2026.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate resumed the consideration of the bill (S. 2026) to establish an Advisory Commission on Intergovernmental Relations.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from South Carolina [Mr. JOHNSTON].

FEDERAL EMPLOYEES HEALTH BENEFITS ACT OF 1959

Mr. JOHNSTON of South Carolina. Mr. President, at this time I ask the Chair to lay before the Senate the amendment of the House of Representatives to Senate bill 2162.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill S. 2162 to provide a health benefits program for Government employees, which was, to strike out all after the enacting clause and insert:

That this Act may be cited as the "Federal Employees Health Benefits Act of 1959".

DEFINITIONS

SEC. 2. As used in this Act—

(a) "Employee" means an appointive or elective officer or employee in or under the executive, judicial, or legislative branch of the United States Government, including a Government-owned or controlled corporation (but not including any corporation under the supervision of the Farm Credit Administration, of which corporation any member of the board of directors is elected or appointed by private interests), or of the municipal government of the District of Columbia, and includes an Official Reporter of Debates of the Senate and a person employed by the Official Reporters of Debates of the Senate in connection with the performance of their official duties, and an employee of Gallaudet College, but does not include (1) a member of a "uniformed service" as such term is defined in section 1072 of title 10 of the United States Code, (2) a noncitizen employee whose permanent-duty station is located outside a State of the United States or the District of Columbia, or (3) an employee of the Tennessee Valley Authority.

(b) "Government" means the Government of the United States of America (including the municipal government of the District of Columbia).

(c) "Annuitant" means—

(1) an employee who on or after the effective date of the provisions referred to in section 15 retires on an immediate annuity, under the Civil Service Retirement Act or other retirement system for civilian employees of the Government, after twelve or more years of service or for disability,

(2) a member of a family who receives an immediate annuity as the survivor of a retired employee described in clause (1) or of an employee who dies after completing five or more years of service,

(3) an employee who receives monthly compensation under the Federal Employees' Compensation Act as a result of injury sustained or illness contracted on or after such date of enactment and who is determined by the Secretary of Labor to be unable to return to duty, and

(4) a member of a family who receives monthly compensation under the Federal Employees' Compensation Act as the surviving beneficiary of (A) an employee who, having completed five or more years of service, dies as a result of illness or injury compansable under such Act or (B) a former employee who is separated after having completed five or more years of service and who dies while receiving monthly compensation under such Act on account of injury sustained or illness contracted on or after such date of enactment and has been held by the Secretary of Labor to have been unable to return to duty.

For the purpose of this subsection, "service" means service which is creditable for the purposes of the Civil Service Retirement Act.

(d) "Member of family" means an employee's or annuitant's spouse and any unmarried child (1) under the age of nineteen years (including (A) an adopted child, and (B) a stepchild or recognized natural child who lives with the employee or annuitant in a regular parent-child relationship), or (2) regardless of age who is incapable of self-support because of mental or physical incapacity that existed prior to his reaching the age of nineteen years.

(e) "Dependent husband" means a husband who is incapable of self-support by reason of mental or physical disability which can be expected to continue for more than one year.

(f) "Health benefits plans" means a group insurance policy or contract, medical or hospital service agreement, membership or subscription contract, or similar group arranagement provided by a carrier for the purpose of providing, paying for, or reimbursing expenses for health services.

(g) "Carrier" means a voluntary association, corporation, partnership, or other nongovernmental organization which is lawfully engaged in providing, paying for, or reimbursing the cost of, health services under group insurance policies or contracts, medical or hospital service agreements, membership or subscription contracts, or similar group arranagements, in consideration of premums or other periodic charges payable to the carrier, including a health benefits plan duly sponsored or underwritten by an employee organization.

(h) "Commission" means the United States Civil Service Commission.

(i) "Employee organization" means an association or other organization of employees which—

(1) is national in scope or

(2) in which membership is open to all employees of a Government department, agency, or independent establishment who are eligible to enroll in a health benefits plan under this Act,

and which on or before December 31, 1959, applies to the Commission for approval of a plan provided for by section 4(3) of this Act.

ELECTION OF COVERAGE

SEC. 3. (a) Any employee may, at such time, in such manner, and under such conditions of eligibility as the Commission may by regulation prescribe, enroll in an approved health benefits plan described in section 4 either as an individual or for self and family. Such regulations may provide for the exclusion of employees on the basis of the nature and type of their employment or conditions pertaining thereto, such as, but not limited to, short-term appointments, seasonal or intermittent employment, and employment of like nature, but no employee or group of employees shall be excluded solely on the basis of the hazardous nature of their employment.

(b) Any annuitant who at the time he becomes an annuitant shall have been enrolled in a health benefits plan under this Act—

(1) for a period not less than (A) the five years of service immediately preceding retirement or (B) the full period or periods of service between the last day of the first period, as prescribed by regulations of the Commission, in which he is eligible to enroll in such a plan and the date on which he becomes an annuitant, whichever is shorter, or

(2) as a member of the family of an employee or annuitant—

may continue his enrollment under such conditions of eligibility as may be prescribed by regulations of the Commission.

(c) If an employee has a spouse who is an employee, either spouse (but not both) may enroll for self and family, or either spouse may enroll as an individual, but no person may be enrolled both as an employee or annuitant and as a member of the family.

(d) A change in the coverage of any employee or annuitant, or of any employee or annuitant and members of his family, enrolled in a health benefits plan under this Act may be made by the employee or annuitant upon application filed within sixty days after the occurrence of a change in family status or at such other times and under such conditions as may be prescribed by regulations of the Commission.

(e) A transfer of enrollment from one health benefits plan described in section 4 to another such plan may be made by an employee or annuitant at such times and under such conditions as may be prescribed by regulations of the Commission.

HEALTH BENEFITS PLANS

SEC. 4. The Commission may contract for or approve the following health benefits plans:

(1) SERVICE BENEFIT PLAN.—One Government-wide plan (offering two levels of benefits) under which payment is made by a carrier under contracts with physicians, hospitals, or other providers of health services for benefits of the types described in section 5(1) rendered to employees or annuitants, or members of their families, or, under certain conditions, payment is made by a carrier to the employee or annuitant or member of his family.

(2) INDEMNITY BENEFIT PLAN.—One Government-wide plan (offering two levels of benefits) under which a carrier agrees to pay certain sums of money, not in excess of the actual expenses incurred, for benefits of the types described in section 5(2).

(3) EMPLOYEE ORGANIZATION PLANS.—Employee organization plans which offer benefits of the types referred to in section 5(3), which are sponsored or underwritten, and are administered, in whole or substantial part, by employee organizations, which are available only to persons (and members of their families) who at the time of enrollment are members of the organization, and which on July 1, 1959, provided health benefits to members of the organization.

(4) COMPREHENSIVE MEDICAL PLANS.—

(A) GROUP-PRACTICE PREPAYMENT PLANS.—Group-practice prepayment plans which offer health benefits of the types referred to in section 5(4), in whole or in substantial part on a prepaid basis, with professional services thereunder provided by physicians practicing as a group in a common center or centers. Such a group shall include physicians representing at least three major medical specialties who receive all or a substantial part of their professional income from the prepaid funds.